

POWERLINE

SUMMER 2008

NEWSLETTER OF THE SOUTHEASTERN POWER ADMINISTRATION

CALENDAR OF EVENTS



SERC Regional Studies Joint Meeting

August 6-8, 2008
Birmingham, AL

CFO Field Meeting

August 12-13, 2008
Oak Ridge, TN

Nashville District, COE Operations Conference

August 26-28, 2008
Chattanooga, TN

APPA Region 1 & 4 Meeting

September 3-5, 2008
Indianapolis, IN

DOE EEO/Diversity Manager's Meeting

September 9-11, 2008
Washington, DC

APPA Region 2 & 3 Meeting

September 22-24, 2008
Tampa, FL

SERC Executive Board Meeting

September 24, 2008
Charlotte, NC

SERC Fall Conference

October 15-17, 2008
Nashville, TN

Ken Legg Selected Administrator for Southeastern

Ken Legg, Assistant Administrator, Power Resources, was selected as Administrator for Southeastern effective July 6, 2008. Ken succeeds Jon Worthington who was appointed Administrator for Southwestern Power Administration headquartered in Tulsa, Oklahoma.



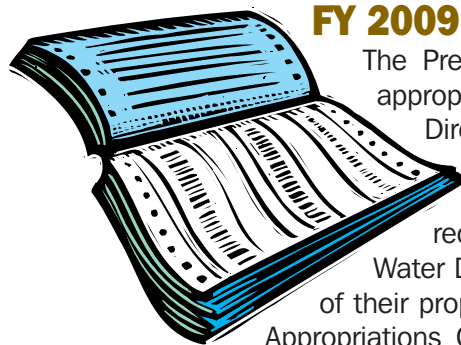
New Employee at SEPA

SEPA recently hired a new employee to replace employees who retired and/or transferred to other positions within the agency:

- Donamika Austin, Hydraulic Engineer (Power Resources Division)

Risk Assessment Audit for IT

Southeastern recently received the results of an independent risk assessment. The assessment evaluated the risks and vulnerabilities of Southeastern's computer systems and network, and the results will be used to complete the agency's recertification and accreditation in the IT area.



FY 2009 Budget Update

The President's budget for FY 2009 included a requested appropriation of \$7.4 million for Southeastern's Program Direction and expenses, as well as requested authority to spend up to \$63.5 million of Southeastern's power and receipts on Purchase Power and Wheeling requirements. The House Subcommittee on Energy and Water Development approved those requested levels as part of their proposed Appropriations Bill on June 17, 2008. The full Appropriations Committee passed the proposed Energy and Water Development Appropriations Bill with the same suggested levels of funding for Southeastern on June 25, 2008.

The Senate and House Energy and Water Development bill was approved by the Subcommittee and at the full committee level. The House and Senate have not yet scheduled a floor vote on this Appropriations Bill. Due to the upcoming transition of Administrations, a long-term Continuing Resolution for FY 2009 is widely expected.

Net Zero

The Office of Management and Budget, in conjunction with Southeastern and the other Power Marketing Administrations (PMAs), sent a packet of data related to Net Zero to the Congressional Budget Committees on June 27, 2008. These committees met in February 2008 regarding the issue of reclassifying the receipts associated with the PMAs' annual expense from the "mandatory" to the "discretionary" side of the budget so they can offset the annual appropriations of the PMAs. The data that was recently sent to the Budget Committees addresses the questions that were raised during that meeting. The goal is to get agreement on receipt reclassification from the Budget Committees in the near future. This would allow Net Zero to move forward as part of the FY 2010 appropriations process.

Customer Funding

The Georgia-Alabama-South Carolina System's Project Review Committee (PRC) recently approved "Work Item #6" which consists of the following work packages:

West Point Project:	
install excitation systems in units 2&3	\$ 380,000
Allatoona Project:	
transformer supply	\$ 3,500,000
Allatoona Project:	
new switchyard supply/plans and specs	\$ 1,095,000
Walter F. George Project:	
transformer plans and specs/supply	\$ 6,535,000
Carters Pump Storage Facility:	
unit 4 excitation repair	\$ 150,000
Hartwell Project:	
unit 4 rotor rim repair	\$ 530,000
Russell Pump Storage Facility:	
install unit circuit breakers (1-4)	\$ 870,000

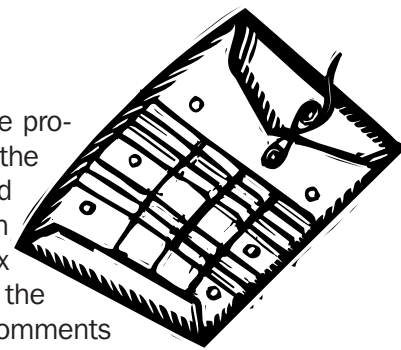
Maximum Total Funding Requirement: \$13,060,000

Work Item #6 will provide adequate funding for the items listed above. The Sub-Agreement has been finalized and executed. All of the exhibits and an overview have been finalized and mailed to participating customers.

A meeting is scheduled for August 21, 2008, to discuss potential work items for Customer Funding for the Kerr-Philpott System. If the PRC approves a work item to be funded, a Sub-Agreement will be signed and Southeastern will send out information to all participating customers in the Kerr-Philpott System.

Cumberland System Proposed Rates

The comment period for the proposed rate adjustment for the Cumberland System ended July 10, 2008. Southeastern received comments from six (6) parties. Southeastern is in the process of evaluating the comments before sending the proposed rate schedules to the Deputy Secretary, DOE, with a request for approval on an interim basis.



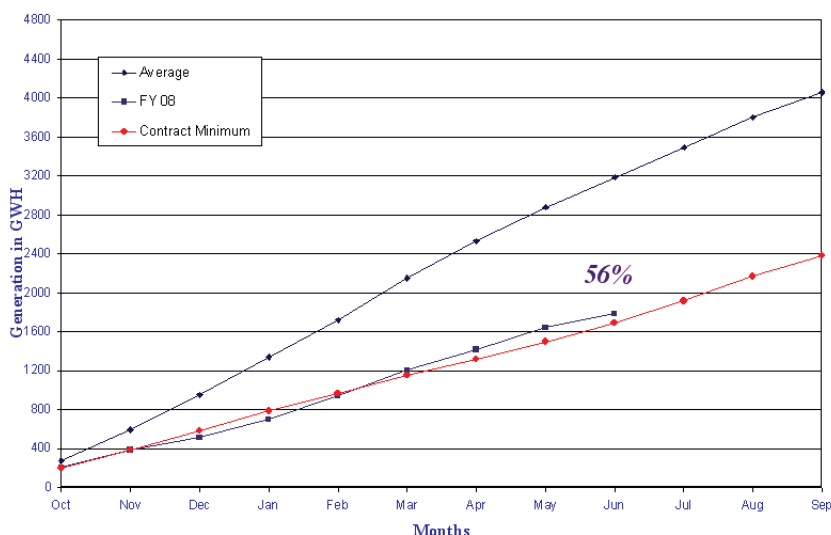
Energy Efficiency: Southeastern Co-Sponsors Energy Efficiency Events

In the past few months, Southeastern's Energy Efficiency and Renewable Energy Program co-sponsored energy efficiency educational events with a Georgia Cooperative, Kentucky Cooperatives, Electricities of North Carolina, and MEAG. The Cooperatives' events focused on residential energy efficiency and energy efficient appliances.

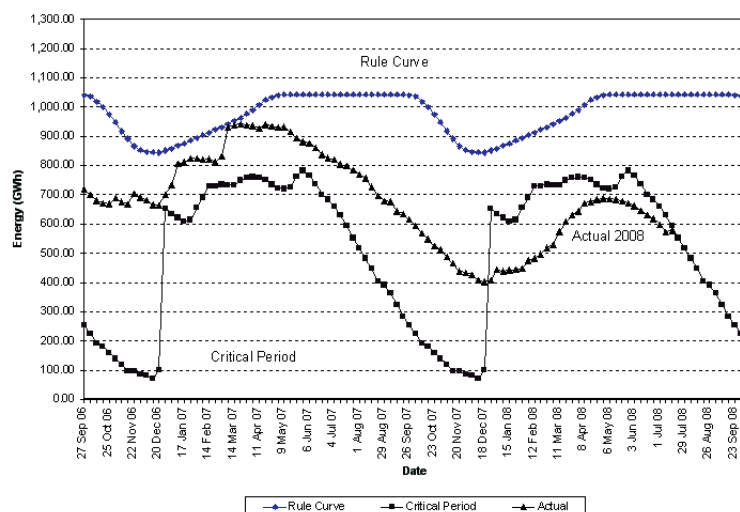
Electricities of North Carolina held the APPA Key Accounts Executive Certification training. Key Accounts Certification facilitates promotion of energy efficiency in order to reduce peak load. MEAG representatives participated in a Leadership in an Energy and Environmental Design (LEED) Certification Program that helps MEAG cities reduce peak load and promote sustainable communities. LEED certification will help cities reduce the risks associated with proposed carbon tax legislation. As a result of this training, one MEAG staff member was certified as a LEED Accredited Professional.

For more information or for additional energy efficiency and renewable energy sponsorship opportunities, contact Al Pless at Southeastern (706.213.3847, alp@sepa.doe.gov).

GA-AI-SC System FY 08 Cumulative Net Generation



GEORGIA-ALABAMA-SOUTH CAROLINA SYSTEM Energy-In-Storage 2007 - 2008



Note: The critical period is Calendar Year 1981.

PowerLine and other SEPA publications are posted on our website: www.sepa.doe.gov.

For more information contact Melissa Sease, Public Affairs Office (melissas@sepa.doe.gov), 706.213.3812.

GA-AL-SC System Update

West Point #3 (39MW):

- Rewind work of Unit #3 is complete
- Work scheduled for Unit #2 postponed until the Fall 2008

Allatoona #1 (35MW):

- Unit out of service due to transformer #1 failure
- Customer-funded work item: PRC approved purchase of 2 new 3-phase transformers for the project to replace the failed transformer and the transformer for Unit #2

George Rehab:

- The rehab work on Unit #3 continues and is expected to return to service in October 2008
- Rehab work on Unit #4 is scheduled to begin at that time

Hartwell #5:

- Unit #5 out due to rotor rim problem. PRC approved funding to repair this unit.

Carters #3:

- Unit #3 out of service due to a field pole ground. The problem was isolated and project personnel are working with a contractor to determine the best approach to repair this unit. Estimated repair time is 1 month.

Russell #6:

- Unit #6 out due to oil leak and alignment problem

Cumberland System Update

Wolf Creek Unit #4 (52MW):

- Rewind work on Unit #4 complete. Unit to undergo testing this week.

Customer-Funded Basin Study:

- At the request of the Cumberland customers, the contractor for the Basin Study will develop a construction work plan for the prioritization list which they have developed.

Center Hill:

- Unit #2 returned to service. Unit had been out due to an alignment problem.

Cumberland FY 2008-2009 MOA:

- Southeastern, the customers, and the Corps are developing a Cumberland MOA to cover the remainder of FY 2008- 2009. The group plans to work toward a long-term MOA.

Wolf Creek Dam Safety Issue:

- The contractor has not completed the first line of grout. Satisfactory work was not obtained in the wrap around area of the dam. They are exploring other methods which may achieve the desired results.
- The Corps expects to award the contract for the cutoff wall within the week, and work on the installation of the wall should begin by the end of this year.
- Weekly Progress Report available online:
www.lrn.usace.army.mil/WolfCreek

Center Hill Dam Safety Issue:

- Work has begun on this project. The contractor is constructing the work platform area on the left rim of the dam.
- Once all preparation work is complete, a grouting program will begin
- Information on Center Hill is available online: www.lrn.army.mil/CenterHill

Kerr-Philpott System Update

Kerr Unit #2 (36MW):

- Rehab work on Unit #4 complete and work has begun on Unit #6
- Station service Unit work continues and should be completed in August 2008

Jim Woodruff System Update

Unit Control and SCADA Systems:

- Installation work on the control and SCADA Systems continues
- Work began on Unit #3 and should be completed by September 2008
- Project peaking operation continues, provided project inflows exceed 6000 cfs